

RESOLUTION NO. 2011-102

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE NORTHERN CALIFORNIA POWER
AGENCY RENEWABLE ENERGY CERTIFICATES TRANSFER
AGREEMENT AND AUTHORIZING EXECUTION BY THE CITY
MANAGER WITH ADMINISTRATION BY THE ELECTRIC
UTILITY DIRECTOR

WHEREAS, Lodi is a member of Northern California Power Agency (NCPA), and has full and unfettered rights and title to its Project Entitlement Percentage of the Capacity and Energy attributable to NCPA project generation, as specified in the respective NCPA Project Agreements; and

WHEREAS, such project Capacity and Energy includes, but is not limited to, all renewable and environmental attributes associated with the production of electricity from a renewable energy resource, including Renewable Energy Certificates (RECs); and

WHEREAS, Lodi is also eligible to receive RECs made available to the customers of the Western Area Power Administration's Sierra Nevada Region ("Western") attributable to Western Base Resource hydroelectric generation; and

WHEREAS, NCPA has established an account with the Western Renewable Energy Generation Information System (WREGIS), and has been, and will continue to be, issued RECs by WREGIS sourced from NCPA's Registered Generating Units; and

WHEREAS, such RECs are initially issued to and are held by NCPA in its WREGIS account; and

WHEREAS, NCPA may, on behalf of Lodi, be transferred RECs from Western attributable to Lodi's share of Western Base Resource hydroelectric generation, consistent with Lodi's assignment of its Western Base Resource percentage to NCPA; and

WHEREAS, Lodi may utilize RECs to satisfy its compliance with renewable energy standards, and RECs may have certain monetary value; therefore, it is in the interest of Lodi to request NCPA to transfer Lodi's share of RECs attributable to its Project Entitlement Percentage of NCPA project generation and Western Base Resource hydroelectric generation held by NCPA to Lodi; and

WHEREAS, in order for NCPA to transfer to Lodi its share of RECs held in NCPA's WREGIS account, Lodi is required to 1) execute the Renewable Energy Certificates Transfer Agreement with NCPA and 2) establish an account with WREGIS; and

WHEREAS, the Renewable Energy Certificates Transfer Agreement solely provides for the transfer of RECs and does not include services from NCPA to sell or market RECs on behalf of Lodi; and

WHEREAS, by executing the Renewable Energy Certificates Transfer Agreement, City agrees not to transfer, assign, sell, or exchange any RECs sourced from NCPA project generation, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the bonds supporting NCPA project generation in being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1954, as amended; and

WHEREAS, the Renewable Energy Certificates Transfer Agreement is structured so that Lodi accepts a limited insurance based recourse against NCPA, and includes the option that Lodi may procure additional insurance at its sole expense; and

WHEREAS, the fiscal impact to Lodi for executing the Renewable Energy Certificates Transfer Agreement includes costs resulting from REC transfer fees, direct costs associated with the management and transfer of RECs, NCPA management costs set forth in NCPA's then current Annual Budget, and any other reimbursable expenses incurred by NCPA in performing services on behalf of Lodi pursuant to the Renewable Energy Certificates Transfer Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the NCPA Renewable Energy Certificates Transfer Agreement, and further authorize execution by the City Manager with administration by the Electric Utility Director.

Dated: July 6, 2011

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I hereby certify that Resolution No. 2011-102 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 6, 2011, by the following vote:

AYES:	COUNCIL MEMBERS – Hansen, Katzakian, Mounce, and Mayor Johnson
NOES:	COUNCIL MEMBERS – None
ABSENT:	COUNCIL MEMBERS – Nakanishi
ABSTAIN:	COUNCIL MEMBERS – None


RANDI JOHL
City Clerk